



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-570-077]

Large Diameter Welded Pipe from the People's Republic of China: Antidumping Duty Order

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: Based on affirmative final determinations by the Department of Commerce (Commerce) and the International Trade Commission (ITC), Commerce is issuing an antidumping duty order on large diameter welded carbon and alloy steel line and structural pipe from the People's Republic of China (China).

DATES: Applicable [Insert Date of Publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Ryan Mullen at (202) 482-5260, AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

Background

On November 14, 2018, Commerce published its affirmative final determination in the less-than-fair-value (LTFV) investigation of large diameter welded pipe from China.<sup>1</sup> The scope of the investigation in Commerce's final determination covered large diameter welded carbon and alloy steel line pipe (welded line pipe), large diameter welded carbon and alloy steel structural pipe (welded structural pipe), and stainless steel large diameter welded pipe (stainless

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<sup>1</sup> See *Large Diameter Welded Pipe from the People's Republic of China: Final Determination of Sales at Less Than Fair Value*, 83 FR 56816 (November 14, 2018) (*Final Determination*).

steel pipe) from China.<sup>2</sup> As discussed below, the ITC subsequently found three domestic like products covered by the scope of the investigation (welded line pipe, welded structural pipe, and stainless steel pipe) and, accordingly, made a separate injury determination with respect to each domestic like product. On January 30, 2019, the ITC notified Commerce of its final determination, pursuant to section 735(d) of the Tariff Act of 1930, as amended (the Act), that an industry in the United States is materially injured within the meaning of section 735(b)(1)(A)(i) of the Act, by reason of LTFV imports of welded structural pipe from China, and is threatened with material injury within the meaning of section 735(b)(1)(A)(ii) of the Act by reason of LTFV imports of welded line pipe from China.<sup>3</sup> Additionally, the ITC made a negative determination of material injury or threat of material injury with respect to stainless steel pipe.<sup>4</sup> On February 13, 2019, Commerce released draft revised scope language for comment by parties. No party objected to the revised scope language in this proceeding.

#### Scope of the Order

The products covered by this order are welded line and structural pipe from China. For a complete description of the scope of this order, see the Appendix to this notice.

#### Antidumping Duty Order

On January 30, 2019, in accordance with sections 735(b)(1)(A)(i) and (ii) and 735(d) of the Act, the ITC notified Commerce of its final determination in this investigation, in which it found that imports of welded structural pipe from China are materially injuring a U.S. industry,

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<sup>2</sup> *Id.*

<sup>3</sup> See ITC Notification Letter regarding ITC Investigation Nos. 701-TA-593-594 and 731-TA-1402 and 1404 (January 2019) (ITC Notification). See also *Large Diameter Welded Pipe from China and India; Determinations*, 84 FR 1785 (February 5, 2019) (*ITC Final Determination*) and *Large Diameter Welded Pipe from China*, Investigation Nos. 701-TA-583-594, 731-TA-1402 and 731-TA-1404 (Final), Publication 4859, January 2019 (Final ITC Report).

<sup>4</sup> *Id.*

and that imports of welded line pipe from China threaten material injury.<sup>5</sup> As a result, and in accordance with sections 735(c)(2) and 736 of the Act, we are publishing this antidumping duty order. As noted above, in its determination, the ITC found three domestic like products covered by the scope of the investigation: welded line pipe, welded structural pipe, and stainless steel pipe. The ITC made a negative determination with respect to stainless steel pipe from China. The ITC made an affirmative determination with respect to welded line pipe and welded structural pipe from China. Because the ITC made distinct and different injury determinations for separate domestic like products, Commerce will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on entries of welded line pipe and welded structural pipe (subject merchandise) from China and not on entries of stainless steel pipe (excluded merchandise) from China.

#### *Welded Line Pipe*

The Final ITC Report describes welded line pipe as a tubular product produced from carbon and alloy steel, produced to American Petroleum Institute (API) 5L specifications, and designed for conveying liquids and gases.<sup>6</sup> Because the ITC determined that LTFV imports of welded line pipe from China are threatening material injury to a U.S. industry,<sup>7</sup> Commerce will direct CBP that unliquidated entries of subject merchandise from China, entered or withdrawn from warehouse, are subject to the assessment of antidumping duties pursuant to section 736 of the Act. Specifically, as a result of the ITC's final determination, in accordance with section 736(a) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds

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<sup>5</sup> See ITC Notification; *ITC Final Determination*, 84 FR at 1785.

the export price (or constructed export price) of the merchandise for all relevant entries of welded line pipe from China.

Pursuant to section 736(b)(2) of the Act, duties shall be assessed on subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's notice of final determination if that determination is based on the threat of material injury, other than threat of material injury described in section 736(b)(1) of the Act.<sup>8</sup> In addition, section 736(b)(2) of the Act requires CBP to release any bond or other security, and refund any cash deposit made of estimated antidumping duties posted since Commerce's preliminary antidumping duty determination. Because the ITC's final determination with respect to welded line pipe from China is based on the threat of material injury and is not accompanied by a finding that injury would have resulted but for the imposition of suspension of liquidation of entries since Commerce's preliminary determination, section 736(b)(2) of the Act is applicable. Accordingly, antidumping duties will be assessed on unliquidated entries of welded line pipe from China entered, or withdrawn from warehouse, for consumption on or after the date of publication of the ITC's notice of final determination in the *Federal Register*. Further, Commerce will direct CBP to terminate the suspension of liquidation for entries of welded line pipe from China entered, or withdrawn from warehouse, for consumption prior to the publication of the ITC's notice of final determination in the *Federal Register*. Commerce will also instruct CBP to refund any cash deposits made with respect to entries of welded line pipe entered, or withdrawn from warehouse, for consumption on or after August 27, 2018 (the date of publication

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<sup>6</sup> *Id.* at 11-12.

<sup>7</sup> *Id.* at 1 and 3.

<sup>8</sup> Section 736(b)(1) of the Act states that “{if the ITC}, in its final determination under section 735(b), finds material injury or threat of material injury which, but for the suspension of liquidation under section 733(d)(2) would have led to a finding of material injury, then entries of the subject merchandise, the liquidation of which has been suspended under section 733(d)(2), shall be subject to the imposition of antidumping duties under section 731.”)

of the *Preliminary Determination*), but before December 25, 2018 (the date suspension of liquidation was discontinued in accordance with section 733(d) of the Act).

*Welded Structural Pipe*

The Final ITC Report describes welded structural pipe as a tubular product produced from carbon and alloy steel, produced to American Society for Testing and Materials (ASTM) specifications, and designed for support in construction projects and piling.<sup>9</sup> Because the ITC found that LTFV imports of welded structural pipe from China are materially injuring a U.S. industry,<sup>10</sup> Commerce will direct CBP that all unliquidated entries of subject merchandise from China, entered or withdrawn from warehouse, are subject to the assessment of antidumping duties pursuant to section 736 of the Act. Specifically, as a result of the ITC's final determination, in accordance with section 736(a) of the Act, Commerce will direct CBP to assess, upon further instruction by Commerce, antidumping duties equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise for all relevant entries of welded structural pipe from China. Antidumping duties will be assessed on unliquidated entries of welded structural pipe from China entered, or withdrawn from warehouse, for consumption on or after August 27, 2018, the date of publication of the *Preliminary Determination*,<sup>11</sup> but not on entries occurring between the expiration of the provisional measures period and the date of publication of the ITC's notice of final determination in the *Federal Register*, as discussed further below.

#### *Stainless Steel Pipe*

The Final ITC Report describes stainless steel pipe as being produced from stainless steel for its high-chrome chemistry and corrosion-resistant properties.<sup>12</sup> Because the ITC made a negative determination of material injury or threat of material injury by reason of LTFV imports

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<sup>9</sup> See Final ITC Report at 11-12.

<sup>10</sup> *Id.* at 1 and 3.

<sup>11</sup> See *Large Diameter Welded Pipe from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value*, 83 FR 43644 (August 27, 2018) (*Preliminary Determination*).

<sup>12</sup> *Id.* at 10.

of stainless steel pipe from China,<sup>13</sup> Commerce will direct CBP to terminate the suspension of liquidation for entries of stainless steel pipe from China entered, or withdrawn from warehouse, and refund all cash deposits with respect to these entries pursuant to section 735(c)(2) of the Act.

#### Suspension of Liquidation

In accordance with section 736 of the Act, Commerce will direct CBP to reinstitute the suspension of liquidation of subject merchandise (*i.e.*, welded line and structural pipe) from China, effective the date of publication of the *ITC Final Determination* in the *Federal Register*, and to assess, upon further instruction by Commerce pursuant to section 736(a)(1) of the Act, antidumping duties for each entry of the subject merchandise equal to the amount by which the normal value of the merchandise exceeds the export price (or constructed export price) of the merchandise. We intend to instruct CBP to require, at the same time as importers would normally deposit estimated import duties on this merchandise, cash deposits for each entry of subject merchandise equal to the rates noted below. These instructions suspending liquidation will remain in effect until further notice. As stated in the *Final Determination*, Commerce is making no adjustments for export subsidies to the antidumping cash deposit rate in because we have made no findings in the companion countervailing duty investigation that any of the programs are export subsidies.<sup>14</sup>

Exporter/Producer	Estimated Weighted-Average Dumping Margin (percent)
China-wide Entity	132.63

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<sup>13</sup> *Id.* at 1 and 3.

<sup>14</sup> See *Final Determination*, 83 FR at 56817.

### Notifications to Interested Parties

This notice constitutes the antidumping duty order with respect to welded line and structural pipe from China pursuant to section 736(a) of the Act. Interested parties can find a list of antidumping duty orders currently in effect at <http://enforcement.trade.gov/stats/iastats1.html>.

This order is published in accordance with sections 735(c) and 736(a) of the Act and 19 CFR 351.211(b).

Dated: February 28, 2019.

Gary Taverman,  
Deputy Assistant Secretary  
for Antidumping and Countervailing Duty Operations,  
performing the non-exclusive functions and duties of the  
Assistant Secretary for Enforcement and Compliance.



## **Appendix**

### **Scope of the Order**

The merchandise covered by this order is welded carbon and alloy steel pipe (other than stainless steel pipe), more than 406.4 mm (16 inches) in nominal outside diameter (large diameter welded pipe), regardless of wall thickness, length, surface finish, grade, end finish, or stenciling. Large diameter welded pipe may be used to transport oil, gas, slurry, steam, or other fluids, liquids, or gases. It may also be used for structural purposes, including, but not limited to, piling. Specifically, not included is large diameter welded pipe produced only to specifications of the American Water Works Association (AWWA) for water and sewage pipe.

Large diameter welded pipe used to transport oil, gas, or natural gas liquids is normally produced to the American Petroleum Institute (API) specification 5L. Large diameter welded pipe may also be produced to American Society for Testing and Materials (ASTM) standards A500, A252, or A53, or other relevant domestic specifications, grades and/or standards. Large diameter welded pipe can be produced to comparable foreign specifications, grades and/or standards or to proprietary specifications, grades and/or standards, or can be non-graded material. All pipe meeting the physical description set forth above is covered by the scope of this order, whether or not produced according to a particular standard.

Subject merchandise also includes large diameter welded pipe that has been further processed in a third country, including but not limited to coating, painting, notching, beveling, cutting, punching, welding, or any other processing that would not otherwise remove the merchandise from the scope of the order if performed in the country of manufacture of the in-scope large diameter welded pipe.

The large diameter welded pipe that is subject to this order is currently classifiable in the Harmonized Tariff Schedule of the United States (HTSUS) under subheadings 7305.11.1030, 7305.11.1060, 7305.11.5000, 7305.12.1030, 7305.12.1060, 7305.12.5000, 7305.19.1030, 7305.19.1060, 7305.19.5000, 7305.31.4000, 7305.31.6090, 7305.39.1000 and 7305.39.5000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of this order is dispositive.

[FR Doc. 2019-04050 Filed: 3/5/2019 8:45 am; Publication Date: 3/6/2019]